



State of Wisconsin
Department of Health and Family Services

Jim Doyle, Governor
Helene Nelson, Secretary

Income Maintenance System

	FY 04		FY 05	
	GPR	All Funds	GPR	All Funds
Process Changes	\$ (879,900)	\$ (1,759,800)	\$ (1,759,800)	\$ (3,519,600)
Workload Change	\$ (2,620,600)	\$ (5,241,200)	\$ (5,241,200)	\$ (10,482,300)
2% Rate Increase	\$ 177,700	\$ 355,400	\$ 536,800	\$ 1,073,600
Net Change*	\$ (3,322,800)	\$ (6,645,600)	\$ (6,464,200)	\$ (12,928,300)

*The amounts shown above correct a technical error inadvertently included in the Governor's budget.

Description of Proposal

- Implement the following processing changes to eligibility determinations performed by Income Maintenance (IM) agencies:
 - reduce verification requirements,
 - streamline change reporting requirements by considering timing and content of changes,
 - reduce the frequency of eligibility reviews, and
 - improve automated tools for internet, mail and phone contacts.
- Expand the statewide processing center (currently used for SeniorCare) to handle mail-in applications, change reports and re-determinations for Medicaid. This would shift workload from county IM agencies to the statewide processing center.
- Provide a 2% annual rate increase to the state/county IM contract in CY04 and CY05.

Background

- Through the Income Maintenance (IM) contract, the Department contracts with counties and tribes to administer eligibility determinations for the Medicaid (MA), BadgerCare, Food Stamps and SSI Caretaker Supplement programs. Local agencies serve as a local point of contact for individuals interested in these income maintenance programs.
- IM agencies process applications for all individuals who apply at the local agency for Food Stamps, MA, BadgerCare, and SSI Caretaker Supplement. However, IM agencies do not process applications for all MA eligible individuals because SeniorCare applications are handled by a statewide processing center and individuals automatically eligible for MA due to Supplemental Security Income eligibility or foster care placement are made eligible through the state's fiscal agent.
- Annual state funding for the IM contract is \$57.4 million all funds. These funds are generally funded 50% with federal funding. Counties and tribes supplement the state funding with approximately \$7.1 million of local funds because the current state funding level is insufficient to cover the total amount of the non-federal share of IM costs.
- IM contract funding has not received a rate increase since 1985.

- IM cases have increased recently. In FY 02, the average monthly Food Stamp caseload increased 21% from 208,127 eligible individuals in FY 01 to 251,868 in FY 02 and average monthly MA caseload increased 10% from 421,422 eligible individuals in FY 01 to 464,933 in FY 02. IM agencies were provided no additional funds for these increases.
- Eligibility determinations processed at the statewide processing center from SeniorCare mail-in applications have been shown to cost less than determinations performed at local agencies through an in-person interview.

Rationale for Proposal

- IM agencies are struggling with increasing caseload and flat funding and the quality of eligibility determinations are at risk. This proposal provides changes to reduce workload at IM agencies to achieve a better balance between workload and funding.
- This proposal streamlines program administration. Policy changes and changes to the CARES automated support system used by IM agencies will reduce the time IM workers spend determining eligibility, resulting in reduced costs. Additional savings are created by expanding the use of the statewide eligibility processing center which can process cases at a lower cost per case.
- A portion of the savings generated is being used to provide an increase to the state/county IM contract.
- This proposal creates savings without limiting the choices of individuals applying for income maintenance programs. Individuals may apply for MA or BadgerCare by mail, which would be processed at the statewide center, or may continue to apply at the local IM agency.